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COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

Members of the Board

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Mark Ridley-Thomas
Sheila Kuehl
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"To Enrich Lives Through Effective and Caring Service"

September 17, 2015

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: 
Brian J. Stiger
Director of Consumer and Business Affairs

QUARTERLY STATUS REPORT- TRANSITION OF THE OFFICE OF SMALL BUSINESS TO THE DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

I. Introduction

On March 4, 1997, your Board established the Office of Small Business (OSB) as the primary resource for small and community business enterprises to conduct business with the County. OSB provides small businesses with technical assistance and information on government procurement opportunities.

Originally located at the Community Development Commission, OSB was later transferred to the County's Internal Services Department (ISD) by Board order on January 4, 2005. On January 13, 2015 your Board approved the transfer of the Office of Small Business from ISD to the newly re-named Department of Consumer and Business Affairs (DCBA). At the same time, your Board established the Small Business Concierge service to serve as a "one stop shop" to assist entrepreneurs navigate the process of opening businesses in the unincorporated areas of Los Angeles County.

DCBA has fully integrated all of the personnel functions of OSB into DCBA. The complete transfer of duties, employee onboarding, and updating of public-facing outreach materials were all completed at the end of February. In anticipation of the transfer, DCBA developed a comprehensive implementation plan to ensure a seamless transition. DCBA is currently completing phase 2 of the transition plan which includes creation of a new department logo (this has been completed), securing new signage and completing the integration of the OSB and DCBA websites.

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To integrate OSB as a unit within DCBA, OSB was renamed Small Business Services (SBS). The goal of the SBS unit at DCBA is to encourage business development and help businesses contract with the County of Los Angeles. SBS provides a forum for outreach, education and advocacy to local small businesses.

II. DCBA objectives for the SBS unit

A. Increase the number of certified small businesses in Los Angeles County

DCBA is working to increase its outreach to the small business community. DCBA's dedicated Outreach Unit now manages SBS's social media outlets, consolidating the OSB and DCA Facebook pages into one comprehensive DCBA page that provides constituent information and updates. The Outreach Unit has also updated the way that the SBS unit utilizes twitter; rebranding the OSB twitter account (@LACoSmallBiz) and providing regular updates on upcoming SBS events and providing small businesses with useful and practical information on doing business in Los Angeles County. This has allowed DCA and SBS to function under one, cohesive DCBA outreach strategy.

In order to increase the number of County certified businesses, DCBA is also exploring the possibility of developing reciprocity with other certifying entities. This will be similar to the system already in place wherein SBS recognizes small businesses certified by the State of California. For example, the City has a certification process that parallels the state's process, however, the City of Los Angeles currently has 1004 certified small businesses, with only 142 of the County's small businesses on their list. DCBA's goal would be for the City to recognize all of the County's small businesses and vice-versa.

B. Increasing County contracting dollars awarded to small businesses

Through its Contracting Connections program, DCBA is working to ensure that small businesses are aware of contracting opportunities with the County and are competitive in the bid process. In order to facilitate this objective, DCBA has developed a plan to capitalize on the current social media structures DCBA has in place. DCBA is exploring the option of using social media to circulate contracting opportunity bulletins to small businesses that specialize in particular industries when contracts become available. Additionally, DCBA is examining ways to create metrics around how contract dollars are currently measured to ensure that contracts awarded to sub-contractors are counted towards County contracting dollars awarded to small business. Finally, DCBA is enhancing its small business counseling services to improve rates of small business utilization.

C. Increase the number of new small businesses launched in FY 2015-16

A primary goal for DCBA is to increase the number of small businesses created in Los Angeles County. To that end, DCBA has developed a Small Business Concierge (Concierge) program. The Concierge works closely with the SBS unit to provide services to potential small business entrepreneurs. The Concierge has counseled several small business owners and is working to establish the service as the “go-to” program for answering questions and offering guidance related to starting a small business in the unincorporated areas of Los Angeles County.

D. Full Implementation of Small Business Concierge service

The Small Business Concierge service is a priority for DCBA. The objective of the program is to act as a one stop shop for entrepreneurs looking for information on how to start a small business in the unincorporated areas of the County. The Small Business Concierge serves as a free consultant and assists prospective business owners navigate the complex licensing and permitting process.

DCBA has been developing and integrating the provision of concierge services into the SBS unit since February. In that respect, DCBA has developed the scope of services that are being provided, created a marketing plan for the service, and filled the position with a full time employee. DCBA has also completed cross-training of all SBS counselors on the services offered through the Concierge program and on how to assist concierge clients. The Concierge staff is cultivating partnerships with other County departments to better serve concierge clients. DCBA is currently working on developing metrics around the service in order to effectively track and monitor the program’s progress and successes.

III. Updates

A. Small Business Commission

At the same time that your Board approved the transfer of OSB to DCBA, you also approved the transfer of the Small Business Commission (SBC) from ISD to DCBA. DCBA has made significant strides in integrating SBC into the Department.

1. Action Plan

DCBA has partnered with SBC to gauge the concerns and interests of the small business community. Using this information, DCBA will work with SBC to formulate a plan to achieve the objectives of: 1) strengthening outreach and marketing; 2) increasing the number of certified small businesses; 3) increasing the number of small businesses contracting with the County; and 4) increasing the number of new small businesses opening in the County.

In order to facilitate the development of this action plan, SBC and DCBA have worked together to establish four standing subcommittees committed to these goals. These subcommittees include the: 1) Executive Subcommittee; 2) Outreach Subcommittee; 3) Economic Development Subcommittee; and 4) Procurement Subcommittee.

2. Small Business Commission Ordinance

DCBA worked with County Counsel to draft an ordinance for the Small Business Commission that codifies the duties and responsibilities of the Commission in the County Code. The ordinance incorporates existing functions and duties of the Small Business Commission with redefined, restructured and new functions that DCBA believes will assist DCBA and the Board in achieving the objectives of promoting small businesses within the County. The ordinance was adopted by your Board on July 14, 2015.

3. Administrative Manual

In addition to the above, DCBA has developed an Administrative Manual for SBC which provides an overview of the rights and responsibilities of the Commissioners. The goal of the manual is to provide critical governance information, as well as, insight into the culture and business of Los Angeles County and DCBA. The manual has been preliminarily approved by the SBC Executive Subcommittee and is being presented for a second reading to the subcommittee next month before being submitted to the entire Commission for approval.

B. Staff Development

DCBA has made it a priority to provide professional training opportunities to the SBS staff. In this respect, DCBA has encouraged cross-training and leadership training of all SBS staff. Below is a list of trainings that SBS staff have attended to date:

- SBS Chief completed Academy Leadership's "Energize to Lead" six month training program
- SBS Program Manager completed "Energize to Lead" 3-day bootcamp
- SBS Chief, Program Manager and Concierge completed 2-day Franklin Covey "Speed of Trust" training
- All SBS staff completed Franklin Covey's "7 Habits of Highly Effective People" training
- All SBS staff completed "True Colors" training

C. Outreach and Marketing

1. Workshops

DCBA has sponsored several workshops to assist local small businesses. Of particular note, in August, DCBA partnered with the LA Law Library on their new Small Business Lecture Series. DCBA sponsored a workshop on “Doing Business with L.A. County,” presented in collaboration with John Geiger, General Manager, Standards & Practices with ISD.

DCBA is currently working on developing a partnership with the departments of Community and Senior Services and Library to develop a Small Business Workshop series to be offered at County libraries.

2. National Small Business Week

In May, your Board acknowledged National Small Business week in the County and presented a scroll to DCBA for the work the department is doing to assist local small businesses. National Small Business Week (NSBW) is a coordinated campaign that recognizes the critical contributions of America's entrepreneurs and small business owners. DCBA hosted the first annual NSBW event this year. The flagship event took place at Patriotic Hall on May 6, 2015 and provided local small businesses with a day of workshops and trainings. There were approximately 180 attendees at the event. The event also served as an opportunity to connect businesses with County departments to learn more about available contracting opportunities.

D. Small Business Concierge

As discussed above, on January 13, 2015, your Board also moved to add a “Small Business Concierge” to the services provided by DCBA. The Concierge serves as a single point of contact for individuals looking to start a small business within the unincorporated areas of Los Angeles County, guiding potential small business owners through the complex process of opening a business in the County. The Concierge is currently providing individualized counseling and assistance to individuals in opening and developing their small businesses.

DCBA began marketing and providing the Concierge service in February. In March, DCBA began recruiting for a “Consumer Affairs Specialist” to fill the new position. From February through June, DCBA had an acting Concierge that developed marketing materials, resource brochures for Concierge clients and created the scope and job duties for the position. In June, DCBA finalized the search and placed a candidate in the concierge position. DCBA is marketing the Concierge through community town halls, increased social media presence, and partnering with other community and governmental organizations.

E. Legislation and Policy

1. State Legislation

DCBA is currently working with its Legislative Analyst in the Chief Executive Office to develop State Legislative Agenda Items around the growth and support of small businesses. During the current legislative session, DCBA recognized that the dearth of agenda items pertaining to small business made it difficult for your Board to take a position on legislation which could impact the small business community. By adding these issues to the County's State Legislative Agenda for 2016-17, DCBA will be able to adequately and effectively advocate on behalf of the County's small businesses.

2. Board Motions

DCBA is currently working on the following Board Motions pertaining to Small Business:

a. Implementation of Five Recommendations to Address Misclassification

On May 19, 2015, the Board adopted five recommendations made by DCBA on how to alleviate an issue of misclassification at the Ports of Long Beach and Los Angeles. DCBA is now working to implement those recommendations.

b. Youth Jobs Program

DCBA has partnered with Community and Senior Services and other County departments to identify strategies to expand current and future workforce opportunities for youth. Part of the recommendation to your Board is to provide information to small businesses on how to employ youth.

c. Small Business Utilization Goal

DCBA is currently preparing a report to the Board on how to implement a 25% Local Small Business Enterprise (LSBE) and 3% Disabled Veteran Business Enterprise (DVBE) utilization goal for the County.

d. Wage Theft

DCBA is working in consultation with County Counsel and CEO on assessing existing wage theft resources available to the County and proposing the most effective way to regulate the new minimum wage and potential wage theft matters.

The main hurdle that DCBA has experienced during the transition is that SBS is still located at ISD's offices in East Los Angeles, while the main DCBA office is at the Hall of Administration. The physical distance of the two offices has made full integration of the SBS staff challenging.

The SBS unit has also experienced some turnover since the transition; losing two counselors this summer. These vacancies were immediately filled, however, with lateral transfers from other DCBA units.

DCBA appreciates the opportunity to update your Board on the status of DCBA's extended services as offered through the Small Business Services unit. Should you have further questions, please do not hesitate to contact me at (213) 974-9750.

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